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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION WI0063

PERIOD ENDED December, 2012 (Prepared with Audited Data)

BORROWER NAME Bayfield Electric Cooperative

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Diane Berweger

3/28/2013

DATE

RECEIVED
MPSC

APR 01 2013

FINANCIAL ANALYSIS AND
AUDIT DIVISION

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	12,093,430	11,992,394	12,308,814	1,231,254
2. Power Production Expense				
3. Cost of Purchased Power	5,916,096	6,096,407	6,175,300	637,734
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	495,395	574,038	588,356	59,362
7. Distribution Expense - Maintenance	1,437,516	1,237,174	1,404,890	83,861
8. Customer Accounts Expense	488,517	376,300	466,066	578
9. Customer Service and Informational Expense	196,849	197,256	205,025	13,104
10. Sales Expense	57	256	132	69
11. Administrative and General Expense	1,019,008	1,081,318	976,588	66,222
12. Total Operation & Maintenance Expense (2 thru 11)	9,553,438	9,562,749	9,816,357	860,930
13. Depreciation and Amortization Expense	1,152,040	1,170,473	1,148,700	95,087
14. Tax Expense - Property & Gross Receipts	194,127	204,427	194,309	18,647
15. Tax Expense - Other	0	0		
16. Interest on Long-Term Debt	851,018	774,305	850,371	63,649
17. Interest Charged to Construction - Credit	(9,423)	(15,299)	(12,834)	5,388
18. Interest Expense - Other	3,367	2,540	3,367	
19. Other Deductions	0		680	
20. Total Cost of Electric Service (12 thru 19)	11,744,567	11,699,195	12,000,950	1,043,701
21. Patronage Capital & Operating Margins (1 minus 20)	348,863	293,199	307,864	187,553
22. Non Operating Margins - Interest	43,368	31,181	71,516	2,087
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(9,757)	12,265	(5,808)	(154)
26. Generation and Transmission Capital Credits	287,176	296,606	273,887	64,613
27. Other Capital Credits and Patronage Dividends	43,160	50,846	115,620	9,618
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	712,810	684,097	763,079	263,717

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			WI0063		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED		
			December, 2012		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	74	71	5. Miles Transmission	0.00	0.00
2. Services Retired	10	12	6. Miles Distribution - Overhead	1,317.18	1,306.36
3. Total Services in Place	9,384	9,443	7. Miles Distribution - Underground	612.00	628.52
4. Idle Services (Exclude Seasonals)	543	581	8. Total Miles Energized (5 + 6 + 7)	1,929.18	1,934.88
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	40,590,203		30. Memberships		40,140
2. Construction Work in Progress	61,234		31. Patronage Capital		9,378,917
3. Total Utility Plant (1 + 2)	40,651,437		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	19,483,300		33. Operating Margins - Current Year		640,315
5. Net Utility Plant (3 - 4)	21,168,137		34. Non-Operating Margins		43,782
6. Non-Utility Property (Net)	1,500		35. Other Margins and Equities		(361,380)
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)		9,741,774
8. Invest. in Assoc. Org. - Patronage Capital	3,587,951		37. Long-Term Debt - RUS (Net)		6,066,252
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed		0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	577,231		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	336,958		40. Long-Term Debt Other (Net)		10,793,259
12. Other Investments	315,533		41. Long-Term Debt - RUS - Econ. Devel. (Net)		0
13. Special Funds	0		42. Payments - Unapplied		0
14. Total Other Property & Investments (6 thru 13)	4,819,173		43. Total Long-Term Debt (37 thru 41 - 42)		16,859,511
15. Cash - General Funds	1,416,943		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations		1,358,800
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)		1,358,800
18. Temporary Investments	583,112		47. Notes Payable		200,000
19. Notes Receivable (Net)	81,380		48. Accounts Payable		739,917
20. Accounts Receivable - Sales of Energy (Net)	1,492,329		49. Consumers Deposits		89,275
21. Accounts Receivable - Other (Net)	185,710		50. Current Maturities Long-Term Debt		686,457
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		8,543
23. Materials and Supplies - Electric & Other	264,862		52. Current Maturities Capital Leases		0
24. Prepayments	97,334		53. Other Current and Accrued Liabilities		384,517
25. Other Current and Accrued Assets	3,814		54. Total Current & Accrued Liabilities (47 thru 53)		2,108,709
26. Total Current and Accrued Assets (15 thru 25)	4,125,484		55. Regulatory Liabilities		0
27. Regulatory Assets	0		56. Other Deferred Credits		44,000
28. Other Deferred Debits	0		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		30,112,794
29. Total Assets and Other Debits (5+14+26 thru 28)	30,112,794				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION WI0063
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PART D. NOTES TO FINANCIAL STATEMENTS

The 2012 effect of the margin stabilization plan was to defer revenues of \$44,000.00 in December 2012 to 2013 which was amortized to January 2013 revenues/margins.

<p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</p>	<p>BORROWER DESIGNATION WI0063</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED December, 2012</p>
<p>PART D. CERTIFICATION LOAN DEFAULT NOTES</p>	

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION WI0063

PERIOD ENDED December, 2012

INSTRUCTIONS - See help in the online application.

PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	34,466,669	1,196,166	154,187	0	35,508,648
2. General Plant	2,405,868	349,107	135,191		2,619,784
3. Headquarters Plant	803,447	37,094	5,546	0	834,995
4. Intangibles	155	0	0	0	155
5. Transmission Plant	1,596,305	60,448	30,136		1,626,617
6. Regional Transmission and Market Operation Plant	0				0
7. All Other Utility Plant	712	0		(712)	0
8. Total Utility Plant in Service (1 thru 7)	39,273,156	1,642,815	325,060	(712)	40,590,199
9. Construction Work in Progress	19,555	41,679			61,234
10. Total Utility Plant (8 + 9)	39,292,711	1,684,494	325,060	(712)	40,651,433

PART F. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	149,132	617,181		467,544	32,554	(1,353)	264,862
2. Other	0						0

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	
1. Present Year	81.600	126.600	13.400	142.100	363.700
2. Five-Year Average	55.700	526.400	27.900	188.100	798.100

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	24	4. Payroll - Expensed	915,063
2. Employee - Hours Worked - Regular Time	43,079	5. Payroll - Capitalized	262,891
3. Employee - Hours Worked - Overtime	2,600	6. Payroll - Other	331,212

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	94,188	2,265,751
	b. Special Retirements		207,498
	c. Total Retirements (a + b)	94,188	2,473,249
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	51,168	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	9,666	
	c. Total Cash Received (a + b)	60,834	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days	\$ 136,473	2. Amount Written Off During Year	\$ 28,867
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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION WI0063
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INSTRUCTIONS - See help in the online application	PERIOD ENDED December, 2012
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PART K. kWh PURCHASED AND TOTAL COST

No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Dairyland Power Cooperative (WI0064)	4716			84,626,225	6,096,407	7.20		
	Total				84,626,225	6,096,407	7.20		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION WI0063	
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2012	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION W10063	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2012	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
TOTAL			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION WI0063
	PERIOD ENDED December, 2012

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PART M. ANNUAL MEETING AND BOARD DATA

1. Date of Last Annual Meeting 6/9/2012	2. Total Number of Members 8,028	3. Number of Members Present at Meeting 111	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 16	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 123,296	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION WI0063			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2012			
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	6,066,252	328,825	211,068	539,893
2	National Rural Utilities Cooperative Finance Corporation	10,245,494	443,536	555,619	999,155
3	CoBank, ACB				
4	Federal Financing Bank				
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	USDA-REDLG	200,000			
8	USDA-REDLG	300,000			
9	ED-PISTOL PETE	47,765			
	TOTAL	16,859,511	772,361	766,687	1,539,048

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION WI0063		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2012		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	4,862	4,854	
	b. kWh Sold			53,111,553
	c. Revenue			8,131,345
2. Residential Sales - Seasonal	a. No. Consumers Served	3,917	3,931	
	b. kWh Sold			13,993,039
	c. Revenue			3,211,615
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	54	52	
	b. kWh Sold			9,839,209
	c. Revenue			964,012
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		8,833	8,837	
11. Total kWh Sold (lines 1b thru 9b)				76,943,801
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				12,306,972
13. Transmission Revenue				
14. Other Electric Revenue				(314,576)
15. kWh - Own Use				233,101
16. Total kWh Purchased				84,626,225
17. Total kWh Generated				
18. Cost of Purchases and Generation				6,096,407
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input type="checkbox"/> Coincident <input checked="" type="checkbox"/>				17,901

UNITED STATES DEPARTMENT OF AGRICULTURE
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**FINANCIAL AND OPERATING REPORT
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PERIOD ENDED December, 2012

INSTRUCTIONS - See help in the online application.

PART P. ENERGY EFFICIENCY PROGRAMS

CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers- (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	61	10,752	61	107	21,334	103
2. Residential Sales - Seasonal	30	5,488	31	48	11,938	39
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	4	862	58	6	1,912	59
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale - RUS Borrowers						
9. Sales for Resale - Other						
10. Total	95	17,102	150	161	35,184	201

RUS Financial and Operating Report Electric Distribution

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION WI0063
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	PERIOD ENDED December, 2012

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
1	Non-Utility Property (NET)				
	Iron River Development	1,500			
	Totals	1,500			
2	Investments in Associated Organizations				
	NISC-Membership	25			
	Iron River Development Group-Common Stock	100			
	Cooperative Services	5,800			
	Rural Electric Supply Cooperative-Common Stock	5,000			
	Federated Insurance	97,625			
	Energy Services Cooperative-Common Stock	100			
	Energy Services Cooperative-Membership	10			
	NRUCFC-Membership		1,000		
	Rural Electric Supply Coop-Preferred Stock	13,904			
	NRECA-Membership	10			
	NRTC-Patronage Capital	355,956			
	Resco-Patronage Capital	45,859			
	NISC-Patronage Capital	38,926			
	Midland Services-Patronage Capital	3,696			
	Chequamegon Telephone Coop	33,521			
	Iron River Cooperative-Patronage Capital	2,079			
	NRUCFC-Patronage Capital		94,866		
	NRUCFC-Subordinate Certificate		374,658		
	Wisconsin Electric Cooperative-Patronage Capital	757			
	Dairyland Power Cooperative-Patronage Capital	3,012,291			
	Wisconsin Rural Enterprise Fund	79,000			
	Totals	3,694,659	470,524		
3	Investments in Economic Development Projects				
	Jim's Meat Market-Jim Klinge	17,420			X
	Pistol Pete-Pete Witt	62,111			X
	Willow Manor Assisted Living	253,333			X
	Whitecap	4,093			
	E Ronald Miller	0			
	Totals	336,957			
4	Other Investments				
	Industrial Park	284,646			
	Garden Center Lot	25,853			
	ERC Loans	5,034			
	Totals	315,533			
5	Special Funds				
	Deferred Comp	0			
	Totals	0			
6	Cash - General				
	Working Funds	1,265			
	Checking	1,371,679			
	Checking - (Restricted funds)	44,000			
	Totals	1,416,944			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION WI0063
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PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)				
8	Temporary Investments			
	Dairyland Power Cooperative		583,112	X
	Totals		583,112	
9	Accounts and Notes Receivable - NET			
	Notes Receivable	81,380		
	Customer Accounts Receivable-Other	185,710		
	Totals	267,090		
11	TOTAL INVESTMENTS (1 thru 10)	6,032,683	1,053,636	

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PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION WI0063
	PERIOD ENDED December, 2012

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SECTION III. RATIO	
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]	14.84 %

SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
3	Jim's Meat Market - Jim Klinge	12/15/2016	50,000	17,420	X
4	Pistol Pete's - Pete Witt	7/18/2018	125,000	62,111	X
5	Willow Manor - Harland Hamminen	5/31/2020	400,000	253,333	X
6	White Cap	1/17/2014	70,426	28,647	
	TOTAL		645,426	361,511	

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BORROWER DESIGNATION
WI0063

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

PERIOD ENDED December, 2012 (Prepared with Audited Data)

BORROWER NAME
Bayfield Electric Cooperative

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We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Diane Berweger

3/28/2013

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	12,093,430	11,992,394	12,308,814	1,231,254
2. Power Production Expense				
3. Cost of Purchased Power	5,916,096	6,096,407	6,175,300	637,734
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	495,395	574,038	588,356	59,362
7. Distribution Expense - Maintenance	1,437,516	1,237,174	1,404,890	83,861
8. Customer Accounts Expense	488,517	376,300	466,066	578
9. Customer Service and Informational Expense	196,849	197,256	205,025	13,104
10. Sales Expense	57	256	132	69
11. Administrative and General Expense	1,019,008	1,081,318	976,588	66,222
12. Total Operation & Maintenance Expense (2 thru 11)	9,553,438	9,562,749	9,816,357	860,930
13. Depreciation and Amortization Expense	1,152,040	1,170,473	1,148,700	95,087
14. Tax Expense - Property & Gross Receipts	194,127	204,427	194,309	18,647
15. Tax Expense - Other	0	0		
16. Interest on Long-Term Debt	851,018	774,305	850,371	63,649
17. Interest Charged to Construction - Credit	(9,423)	(15,299)	(12,834)	5,388
18. Interest Expense - Other	3,367	2,540	3,367	
19. Other Deductions	0		680	
20. Total Cost of Electric Service (12 thru 19)	11,744,567	11,699,195	12,000,950	1,043,701
21. Patronage Capital & Operating Margins (1 minus 20)	348,863	293,199	307,864	187,553
22. Non Operating Margins - Interest	43,368	31,181	71,516	2,087
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(9,757)	12,265	(5,808)	(154)
26. Generation and Transmission Capital Credits	287,176	296,606	273,887	64,613
27. Other Capital Credits and Patronage Dividends	43,160	50,846	115,620	9,618
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	712,810	684,097	763,079	263,717